

City of Greenville NCHFA New Home Loan Pool 20% Deferred Loan

The North Carolina Housing Finance Agency (NCHFA) 20% Deferred Loan provides an interest-free, deferred payment second mortgage loan of up to 20% of the home's sales price with a maximum of \$25,000.00 for new construction.



Eligibility: Qualified first-time low-to-moderate income homebuyers. (Qualified buyers are to meet credit, employment, loan-to-value and income debt standards established by the City of Greenville, NCHFA and the mortgage lender with total family income not to exceed 80% of area median). Buyers must satisfactorily complete homeownership education program, present certificate of completion and pre-qualify with a mortgage lender. Buyers must occupy dwelling as principle residence.

Location & Price: The home must be new construction within the West Greenville Revitalization Area with a maximum sells price of \$150,000.00.

Minimum Borrower Investment: \$750.00 plus closing cost (closing cost must be paid by buyer, seller, or through available city funds).

Security: A Deed of Trust in the amount received will be recorded taking a second position by the North Carolina Housing Finance Agency.

Loan Approval: Qualified applications are submitted to NCHFA for loan approval and funding.

Other: Applicant must pre-qualify with lending institution before applying for downpayment / closing cost assistance with the City of Greenville. Applicant must provide a signed copy of the Lender's Good Faith Estimate (GFE) with all fees disclosed, the interest rate and terms of loan. Mortgage lenders used for financing on the first mortgage must include escrows as part of their package.

Unacceptable First Mortgage Products:

- * Loans with owner financing as part of the structure are not acceptable.
- * All loans to borrower must be cost effective. Interest rates should be at market rate or less with no loan discount points, loan origination fee should be 1% or less and all loan fees should be normal and not excessive.
- * First mortgage loan products that balloon prior to 30 years, adjustable rate mortgages, buy-down or step mortgages, loans with less than 20 year terms and loans with call options should not be considered as acceptable programs for borrowers requesting City of Greenville Downpayment / Closing Cost Assistance Programs.

*Low-to-moderate income is defined by the U.S. Department of Housing and Urban Development (HUD) and refers to households with income 80% or less of area median for Greenville, NC.

(These percentages are adjusted each year and are based on household size. Staff will determine your income percentage.)

*First Time Home Buyer is a homebuyer not having owned a home in the past 3 years.

FOR MORE INFORMATION CONTACT

City of Greenville Planning & Community Development
(252) 329-4481

Gloria H. Kesler
(252) 329-4226



WHAT TO BRING WITH YOU APPLICATION

_____ Copy of Credit Report- You can request a free credit report every year at www.annualcreditreport.com or by calling 1-877-322-8228. Please review your credit report for correctness and that all bills are current. All outstanding charged-off accounts, liens, and judgments must be paid in full. However, small medical bills can be on a written payment plan. **Please write a letter explaining all negative items on your credit report.**

_____ Copy of the Lender's Good Faith Estimate and Pre-qualification letter based on the review of your credit report. You need to get pre-qualified to know how much you can borrow and the cost involved in purchasing a home.

_____ Verification of Employment / Income form completed & returned by your employer.

_____ Verification of Rental form completed & returned by your landlord.

_____ Pay stubs for the most recent 2 (two) months.

_____ Signed Tax Returns with W-2's for the past 2 (two) years. (If you are self-employed include a Profit / Loss Year to Date Statement).

_____ Copy of last 2 (two) Bank Statements for all accounts (checking, saving, IRA's, 401K, etc.).

_____ Signed copy of Offer to Purchase or Contract with Builder.

_____ Copy of First Time Homebuyers Certificate(s). The next class is _____.

_____ Proof of Social Security or Public Assistance Payments.

_____ Proof of receipt or payment of Child Support with copy of court order for child support.

_____ Proof of receipt or payment of Alimony.

_____ Copy of Divorce Decree or Legal Separation (only if less than one year).

_____ Gift Letter (If you are receiving funds from a relative).

_____ Photo ID (18+) and Social Security Card for all members of the household.

_____ Other: _____

NOTE: Mortgage Contact Person: _____

Phone Number: _____
